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**MINUTES OF THE PROCEEDINGS**  
**REGULAR MEETING**  
**OF THE**  
**RETIREMENT BOARD OF THE POLICEMEN'S**  
**ANNUITY & BENEFIT FUND**  
**HELD**  
**THURSDAY SEPTEMBER 28, 2017**

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The regular meeting of the Retirement Board of the Policemen's Annuity and Benefit Fund was held September 28, 2017, at 9:00 A.M. at the office of the Fund, 221 N. LaSalle Street, Room 1626, Chicago, Illinois for the consideration of applications and bills, and for other such matters that came before the Board. The contents of this meeting were transcribed by Esquire Communications, Ltd. Court Reporters and are made a part of the record.

PRESENT: Trustees Beyna, Caldero, Hamburger, Hauser, Wright 5.

ABSENT: Brown, Summers 2\*.

PRESIDING: President Hauser

\*Full Board for this meeting is seven members, due to retirement of Trustee Maloney on September 8, 2017.

Election to fill this vacancy is October 6, 2017.

President Hauser called the meeting to order.

First order of business is review of the Minutes of the Regular meeting held September 28, 2017.

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the minutes of August 31, 2017, as submitted.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

The next order of business is review of the Minutes of the Special meeting held September 14, 2017.

*It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the minutes of September 14, 2017, as submitted.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

The next order of business is the investment committee meeting held on September 25, 2017. The Committee did not have a quorum. However, the Committee reviewed various materials and held discussion and has three recommendations for Board approval. The first item is approval of the five finalists firms of EntrustPermal, JP Morgan, Pluscios, Prisma and UBS present their products associated with the Long/Short Equity Hedge Fund of Funds RFP at the October Investment Committee Meeting.

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the recommendation of the Investment Committee and approve the finalists named.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

The next item is approval of the transaction proposed by RCP Advisors in their letter to the Fund dated September 6, 2017.

*It was moved by Trustee Beyna, seconded by Trustee Wright that the Board approve the transaction.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

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The last item is the recommendation that the flat fee proposals of Earnest Partners and Montag & Caldwell as detailed be approved.

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the fee recommendation.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

The next order of business is review of the Minutes of the Investment Committee meeting held September 25, 2017.

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the minutes of the meeting held September 25, 2017.*

ROLL CALL

For: Beyna, Caldero, Hauser, Wright 4.

Absent: Brown, Summers 2.

Against: 0.

Abstain: Hamburger 1.

The next order of business was review and adoption of Board orders as submitted by the Board's counsel.

In the matter of **Mario Acosta** the "Board finds that **Acosta's** medical condition is not now disabling as disability is defined in the Pension Act. Acosta's ordinary disability benefit will cease on September 30, 2017, and he is directed to return to the Chicago Police Department for assignment."

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the order on Mario Acosta as submitted.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

In the matter of **Dimitrios Katsaros**, the "Board finds that **Katsaros'** medical condition is not now disabling as disability is defined in the Pension Act. Katsaros' disability benefit will cease on January 6, 2018, and he is directed to return to the Chicago Police Department for assignment."

*It was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the order on Dimitrios Katsaros as submitted.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

In the matter of **Cherie Hendricks**, David Kugler, attorney for the Board, briefly addressed this matter with her counsel, who was present in the hearing room.

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Mr. David Kugler indicated that there is an order that the Board is going to issue with respect to Officer Hendricks. However, for purposes of accuracy, he inquired with Officer Hendricks' attorney, Mr. Ralph Licari, if Officer Hendricks is still on suspension from the Chicago Police Department? Mr. Licari indicated that she is on suspension and Dan Herbert, attorney, is representing her at a hearing about the suspension. Mr. Ralph Licari confirmed that Officer Hendricks is thus in a no-pay status from the day of the suspension to current.

"At this time the Board finds **Hendricks'** application seeking ordinary disability benefits is not yet ripe for the Board's consideration as Hendricks, No. 1, has not yet exhausted all available medical time off from the Chicago Police Department for which she is entitled to full pay and benefits and, No. 2, has not received certification of her injury or illness from the Chicago Police Department Medical Services Section. Further, the Board finds Hendricks' matter is more properly before the Chicago Police Department pursuant to a grievance as provided for in the employment agreement."

*It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board approve the order on Cherie Hendricks as submitted.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

Mr. Elliott Mallen, a researcher with Unite Here, which is the Hotel and Restaurant Workers Union in Chicago, requested permission to address the Board. Mr. Mallen indicated that workers at the downtown Chicago Homewood Suites recently organized a union and are now starting contract negotiations. This hotel is owned by an affiliate of an investment manager in which the Fund is an investor. The workers are requesting that they be treated the same as every other hotel worker in the City of Chicago.

The President conducted the agenda as follows:

PAGE NO.      REFERENCE

1 - 4              Incurred Expenses for the Month of September 2017.

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the Obligations as detailed on pages 1 through 4.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

5 - 7              Refunds of Contributions; Withdrawal of Service and Widow's Annuity Accumulations

*It was moved by Trustee Wright, seconded by Trustee Caldero that the Board approve the Withdrawal of Service Refunds as detailed on page 5.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

Refund of surviving spouse contributions on pages 6 and 7.

*It was moved by Trustee Beyna, seconded by Trustee Wright that the Board approve the Refunds as detailed on pages 6 and 7.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

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<u>PAGE NO.</u>	<u>REFERENCE</u>
8 - 9	Payment to Heirs of Deceased Annuitants
10	Refund of Unused Annuity Accumulations

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the payments to Heirs of Deceased Annuitants and the Refund as detailed on pages 8 through 10.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

11 - 13 Annuities [Summary pg. 14]

*It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board approve the Annuities as detailed on pages 11 through 13.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

15 Annuities to Widows [Summary pg. 16]

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the Annuities to Widows as detailed on page 15.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

17 Annuities to Children

*It was moved by Trustee Hamburger, seconded by Trustee Beyna that the Board approve the Annuities to Children as detailed on page 17.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

18 Ordinary Disability Benefit Claims

a) **Cairo, Mary L.**

*Based on the medical reports, it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board grant Mary L. Cairo an ordinary disability benefit.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

b) **Evans, Warren C.**

*Based on the medical reports, it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board grant Warren C. Evans an ordinary disability benefit.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent: Brown, Summers 2.  
Against: 0.

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PAGE NO.      REFERENCE

19 - 20            Payment of Death Benefits [Summary pg. 21]

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the Death Benefits as detailed on pages 19 and 20.*

ROLL CALL

For:              Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent:          Brown, Summers 2.

Against:        0.

LEAVES

22                  REQUEST FOR PENSION CREDIT FOR LEAVE OF ABSENCE SERVICE

*Documentation verified, it was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the request to purchase leave of absence service as detailed on page 22.*

ROLL CALL

For:              Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent:          Brown, Summers 2.

Against:        0.

23                  REQUEST FOR PENSION CREDIT FOR MILITARY LEAVE OF ABSENCE SERVICE USERRA

*Documentation verified, it was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the request to purchase leave of absence military service as detailed on page 23.*

ROLL CALL

For:              Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent:          Brown, Summers 2.

Against:        0.

24                  REQUEST FOR PENSION CREDIT FOR LEAVE OF ABSENCE SERVICE

**Partyka, Tyler**

Sergeant Partyka appeared before the Board without counsel. Board counsel reviewed with Sergeant Partyka the procedures of an administrative hearing, along with his right to have an attorney present. Sergeant Partyka agreed to proceed without legal representation. After hearing testimony from Sergeant Partyka, reviewing the documents submitted and the Pension Act, *it was moved by Trustee Hamburger, seconded by Trustee Caldero that the request of Sergeant Partyka be denied.*

ROLL CALL

For:              Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent:          Brown, Summers 2.

Against:        0.

MISCELLANEOUS

25                  REQUEST FOR CHILD DISABILITY BENEFITS UNDER 5-154

*Documentation verified, it was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the child disability benefits as detailed on page 25.*

ROLL CALL

For:              Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent:          Brown, Summers 2.

Against:        0.

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PAGE NO.      REFERENCE  
26                      REQUESTS FOR PENSION CREDIT FOR PRIOR COOK COUNTY  
                                 SERVICE UNDER 5-214 (c)

*Documentation verified, it was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the requests to purchase prior Cook County service as detailed on page 26.*

ROLL CALL

For:                Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent:            Brown, Summers 2.  
Against:          0.

27                      REQUESTS FOR PENSION CREDIT FOR PRIOR LAW ENFORCEMENT  
                                 SERVICE UNDER 5-214.2

*In accordance with statutory deadlines, it was moved by Trustee Hamburger, seconded by Trustee Caldero that the Board deny the requests to purchase prior service as detailed on page 27.*

ROLL CALL

For:                Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent:            Brown, Summers 2.  
Against:          0.

28                      REQUESTS FOR PENSION CREDIT FOR PRIOR MILITARY  
                                 SERVICE UNDER 5-214.3

*Documentation verified, it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board approve the requests, as amended, to purchase prior military service as detailed on page 28.*

ROLL CALL

For:                Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent:            Brown, Summers 2.  
Against:          0.

General Agenda completed.

29                      REQUEST TO PURCHASE CREDIT FOR PRIOR SERVICE  
                                 **Elkins, Eric J.**

Sergeant Elkins appeared with counsel before the Board on his request to receive pension credit for prior service. After hearing testimony from Sergeant Elkins, Mr. Martin Bennett, Executive Director of Emergency Communications for the Cook County 911 Center, and reviewing the documents submitted, *it was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve Sergeant Elkins' pension credit for the prior service testified to and detailed on page 29.*

ROLL CALL

For:                Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent:            Brown, Summers 2.  
Against:          0.

30                      REQUEST TO PURCHASE CREDIT FOR PRIOR SERVICE  
                                 **Gallagher, Michael J.**

Sergeant Michael Gallagher forwarded a request for a continuance. *It was moved by Trustee Wright, seconded by Trustee Beyna that the Board grant Sergeant Gallagher a continuance.*

ROLL CALL

For:                Beyna, Caldero, Hauser, Wright 4.  
Absent:            Brown, Summers 2.  
Against:          Hamburger 1.

PAGE NO.      REFERENCE  
31                      REQUEST TO PURCHASE CREDIT FOR PRIOR SERVICE

**Michael, Linda**

Officer Linda Michael forwarded a request for a continuance. *It was moved by Trustee Wright, seconded by Trustee Beyna that the Board grant Officer Michael a continuance.*

ROLL CALL

For:                Beyna, Caldero, Hauser, Wright 4.  
Absent:            Brown, Summers 2.  
Against:          Hamburger 1.

DISABILITY HEARINGS

32                      DUTY DISABILITY CLAIMS

**Peter, Dawn J.**

Attorney for Officer Peter requested a continuance to obtain additional medical testing and related reports. *It was moved by Trustee Wright, seconded by Trustee Beyna that the Board grant Officer Dawn Peter a continuance to the October meeting.*

ROLL CALL

For:                Beyna, Caldero, Hauser, Wright 4.  
Absent:            Brown, Summers 2.  
Against:          Hamburger 1.

*It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board enter into executive session per 2 (c)(11).*

ROLL CALL

For:                Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent:            Brown, Summers 2.  
Against:          0.

*It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board exit the executive session.*

ROLL CALL

For:                Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent:            Brown, Summers 2.  
Against:          0.

**Tellez, Karen A.**

Karen Tellez appeared before the Board, without counsel, on her claim for a duty disability benefit. Board counsel reviewed with Officer Tellez the procedures of an administrative hearing, along with her right to have an attorney represent her. Officer Tellez agreed to proceed without legal representation. After hearing testimony from Officer Tellez, and reviewing the medical reports and documents submitted, *it was moved by Trustee Wright, seconded by Trustee Caldero that the Board award Officer Tellez an ordinary disability benefit.* It was then noted that the Ordinary disability benefit was already awarded at a prior meeting.

*It was then moved by Trustee Hamburger, seconded by Trustee Wright that the Board deny a duty disability benefit.*

ROLL CALL

For:                Beyna, Caldero, Hamburger, Hauser, Wright 5.  
Absent:            Brown, Summers 2.  
Against:          0.



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32                      DUTY DISABILITY CLAIMS, Continued

**Wade, Marcus G.**

Marcus Wade appeared before the Board, with counsel, on his claim for a duty disability benefit. After hearing testimony from Officer Wade, reviewing the medical reports and documents submitted, and after hearing testimony from Sergeant Janet Kemper of the Chicago Police Department, Medical Section, *it was moved by Trustee Wright, seconded by Trustee Hamburger that the Board award Officer Wade a duty disability benefit.*

ROLL CALL

For:                Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent:            Brown, Summers 2.

Against:          0.

*It was then moved by Trustee Wright, seconded by Trustee Caldero that the Board grant the duty award at 75% of salary as defined in the Statute, for the period February 7, 2017, through October 31, 2017.*

ROLL CALL

For:                Beyna, Caldero, Hauser, Wright 4.

Absent:            Brown, Summers 2.

Against:          Hamburger 1.

The Executive Director reviewed with the Board the following matters.

- Representatives of the Fund have been requested to attend the hearings for the Senate Special Committee on State and Pension Fund Investments. Those hearings are scheduled for October 16th and 17th. The Senate Committee has requested that attending from each fund shall be the Executive Director, the Chief Investment Officer, the CEO of the investment consultant to the Fund and the President of the Board. Fund staff has learned that Mike Manning, the Managing Partner of NEPC is only available on October 16th. The Executive Director has informed the organizer of the Senate Hearings about Mr. Manning's availability. Official schedule of the hearings has not yet been provided.
- A reminder that the election for the Lieutenant Trustee position will be held Friday – October 6, 2017. There are two candidates and there are 353 members that are eligible to vote. Once the election is concluded, the Executive Director will inform each Board member of the election results.
- A request from the Fund's CIO to attend the CIO Global Summit. The Executive Director indicated that Ms. Devitt had requested funds in the 2017 budget for two educational courses that she has attended this year, however, the cost was approximately \$750 less than requested and budgeted. She has thus requested that the unused budget allocation be used for the CIO Global Summit.

*It was moved by Trustee Wright, seconded by Trustee Beyna that the Board approve the CIO's travel and expense to attend the CIO Global Summit.*

ROLL CALL

For:                Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent:            Brown, Summers 2.

Against:          0.

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- The next item discussed is the healthcare renewal for staff and retired staff of the Fund. Each Board member was provided with a summary of the 2017 staff healthcare budget, expenses-to-date and estimated 2017 total expenses. The healthcare plan for staff and retired staff of the Fund is a November 30th year-end plan, which means a December 1st renewal. Renewal is typically completed by October 15. The broker submitted the renewal numbers for the coverage provided. The plan has had a favorable experience year. The Executive Director reminded the Board that one year ago, the Board approved renewal of the plan, including all Fund employees and retired staff of the Fund. The Executive Director proposed two plans and the related budgets, based upon the renewal numbers.

Plan A would continue the current policy, which includes participation of the retired staff of the Fund. Retirees of the Fund would be responsible for the full cost of any rate increases by the provider, Blue Cross/Blue Shield. The subsidy of the Fund would continue, however, there would be no increase in the subsidy.

Plan B would continue the current policy, however retired Medicare-eligible staff of the Fund would be removed from the plan. A separate, Medicare plan would be introduced to them without any subsidy by the Fund. The non-Medicare retirees would stay in the current active staff plan, until Medicare-eligible.

*It was moved by Trustee Hamburger that the Board accept Plan A, including participation of staff and retired staff of the Fund, however, with removing any Fund subsidy from both Medicare and non-Medicare retirees.*

NO SECOND: MOTION FAILED

*It was then moved by Trustee Wright, seconded by Trustee Hauser that the Board approve Plan A for the Fund's active and retired employees, as presented.*

ROLL CALL

For: Beyna, Caldero, Hauser, Wright 4.

Absent: Brown, Summers 2.

Against: Hamburger 1.

*It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board enter into executive session per 2(c) (11); with a request that the Board's consulting physician remain in the hearing room.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

*It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board exit the executive session.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

*It was moved by Trustee Hamburger, seconded by Trustee Wright that the Board enter into executive session per 2(c) (2) for personal matters.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

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*It was moved by Trustee Caldero, seconded by Trustee Wright that the Board exit the executive session.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

The Board president called for a vote of medical testing recommended by the Board's consulting physician.

*It was moved by Trustee Caldero, seconded by Trustee Hamburger that the Board approve FCEs, IMEs and/or Focused Neurological Cognitive Evaluations be completed on **Tammi Griffin, John Pigott, Brian Warner and George Latsos**, per medical recommendation.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

- The Executive Director requested Board approval in the matter of **Kristen Villanueva**.

*It was moved by Trustee Wright, seconded by Trustee Hamburger that pursuant to Board policy this member failed to keep three appointments on her annual disability exam with the Board's Consulting Physician, therefore her October 2017 and future disability disbursements will be suspended until such time she submits to a medical exam.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

*There was a motion by Trustee Wright, seconded by Trustee Hamburger that the Board reject the **Tribune Settlement Offer**.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.

EXECUTIVE DIRECTOR'S REPORT CONCLUDED

All business concluded for this date, September 28, 2017, *it was moved by Trustee Caldero, seconded by Trustee Wright that this meeting be adjourned.*

ROLL CALL

For: Beyna, Caldero, Hamburger, Hauser, Wright 5.

Absent: Brown, Summers 2.

Against: 0.